

Message Text

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SUBJECT: FOREIGN ECONOMIC POLICY TOWARD AFRICA

REF: STATE 164983

1. OUR COMMENTS ON DISCUSSION PAPER ON FOREIGN ECONOMIC POLICY
TOWARD AFRICA (REFTEL) ARE AS FOLLOWS.

2. INFRASTRUCTURE. LACK OF ADEQUATE TRANSPORT CONTINUES TO BE
A MAJOR DEVELOPMENT CONSTRAINT IN WEST AFRICA. RECENT AID TO
SAHELIAN COUNTRIES HAS BEEN FOCUSED ON TERTIARY ROADS. HOWEVER,
MANY SAHELIAN COUNTRIES ARE COMPLETELY LACKING IN BASIC INFRA-
STRUCTURE AND ASSISTANCE TO PRIMARY AND SECONDARY ROAD BUILDING
PROJECTS COULD BE JUSTIFIED IN TERMS OF MOVEMENT OF AGRICULTURAL
PRODUCTS. IN ADDITION, INSUFFICIENT ATTENTION HAS BEEN PAID TO
TRANSPORT LINKS BETWEEN THE COASTAL STATES AND THE LAND-LOCKED
SAHELIAN COUNTRIES.

3. IN THE SAHELIAN ZONES WE DOUBT THAT ENCOURAGING OFFICIAL
ASSISTANCE FOR INFRASTRUCTURE SUCH AS ROADS IN COMBINATION WITH
PRIVATE INVESTMENT IS A PRACTICAL SOLUTION. THIS MAY, HOWEVER,
BE FEASIBLE IN COASTAL COUNTRIES IN LIMITED AREAS WHERE HIGHER
VALUE AGRICULTURAL CROPS ARE PRODUCED.

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4. LARGE SCALE IRRIGATION PROJECTS IN THE SAHEL HAVE
NOT BEEN VERY SUCCESSFUL IN THE PAST. CAPITAL COSTS
PER HECTARE HAVE BEEN VERY HIGH AND THE NUMBER OF
BENEFICIARIES REACHED RATHER LOW. SPECTACULAR LEAPS
IN AGRICULTURAL PRODUCTIVITY HAVE RARELY OCCURRED IN
PRACTICE.

5. CAREFUL ASSESSMENT NEEDS TO BE MADE OF THE FEASIBILITY OF DAM CONSTRUCTION IN SELECTED SITES WHERE THE MAJOR EMPHASIS IS ON PRODUCTION OF HYDRO-ELECTRICITY. WITH MOST WEST AFRICAN COUNTRIES FACING INCREASING PROBLEMS WITH THE HIGH COST OF ENERGY, MORE EMPHASIS NEEDS TO BE PLACED ON MAKING THEM LESS DEPENDENT ON THERMAL POWER. INCREASES IN AGRICULTURAL PRODUCTION WILL CERTAINLY RESULT, BUT AT HIGH CAPITAL COSTS PER CAPITA.

6. CONCENTRATION IN EXPORTS. SUPPORT FOR COMMODITY EXPORT DIVERSIFICATION THROUGH BILATERAL ASSISTANCE MAY HAVE SOME LIMITED APPLICABILITY, ESPECIALLY IN COASTAL COUNTRIES. AGROCLIMATIC CONDITIONS IN MUCH OF THE SAHEL WOULD DISCOURAGE DEVELOPMENT OF NEW EXPORT CROPS.

7. THE GOIC WOULD PROBABLY REGARD U.S. PARTICIPATION IN A NEW COCOA AGREEMENT AS THE SINGLE MOST IMPORTANT MEASURE THE U.S. COULD TAKE TO ASSIST THE IVORY COAST IN ITS DEVELOPMENT EFFORT. THE GOIC REGARDS THE INITIAL U.S. PROPOSALS ON THE FORM OF A NEW AGREEMENT AS VERY ENCOURAGING (SEE ABIDJAN 6065).

8. LIMITED SUPPORT FOR EXPANSION OF PROCESSING OF RAW MATERIALS IN COUNTRIES OF ORIGIN MAY BE BENEFICIAL. ASSISTANCE WITH DESIGN AND TECHNOLOGY TO BE EMPLOYED LIMITED OFFICIAL USE

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IN NEW FACTORIES COULD BE VERY APPROPRIATE IN COUNTRIES CONSIDERING STATE OWNERSHIP OF FACILITIES.

9. MANPOWER SHORTAGES. SUPPORT FOR EXPANDED EDUCATION AND TRAINING OF AFRICANS AT EITHER AFRICAN OR U.S. INSTITUTIONS WOULD HELP BREAK A SEVERE CONSTRAINT TO ECONOMIC DEVELOPMENT, ESPECIALLY IN THE SAHELIAN COUNTRIES. SUCH ASSISTANCE HAS BEEN EXTREMELY SUCCESSFUL IN THE PAST. DIRECT BILATERAL BUT NON-PROJECT RELATED ASSISTANCE WOULD BE ESPECIALLY VALUABLE IN SELECTED SCARCITY AREAS, I., ALL CATEGORIES OF ENGINEERS IN SAHELIAN COUNTRIES.

10. MINI-STATES AND MINI-MARKETS. INCREASED EMPHASIS ON WEST AFRICA AS A TRADING AREA ENCOMPASSING COMPLEX INTER-RELATIONSHIPS BETWEEN COASTAL COUNTRIES AND THEIR INLAND NEIGHBORS WOULD RESULT IN IMPROVEMENTS IN ASSISTANCE PLANNING. IN MANY CASES ASSISTANCE IN CONDUCTING REGIONAL ECONOMIC STUDIES MAY BENEFIT BOTH THE REGIONAL INSTITUTIONS AND THE DONOR COUNTRIES.

1. HEALTH. ENDEMIC REGION-WIDE DISEASES, MANY OF

WHICH ARE WATER-BORNE, DO INDEED POSE MAJOR PROBLEMS
IN WEST AFRICA. THIS IS AN AREA WHICH SEEMS TO US
PARTICULARLY WORTHWHILE FOR INCREASED U.S. EFFORT.
WE MUST, HOWEVER, BE AWARE THAT LITTLE RESEARCH DATA
IS CURRENTLY AVAILABLE ON THE COST-EFFECTIVENESS OF
VARIOUS METHODS OF BOTH PREVENTIVE AND CURATIVE
APPROACHES TO CONTROL. MORE CAREFUL MONITORING IN
SMALLER AREA STUDIES COULD YIELD DATA ON WHICH LARGER
PROGRAMS COULD AND SHOULD BE BASED.

12. ENERGY. MANY SAHELIAN TOWNS ARE FACED WITH
INCREASING PROBLEMS AND COSTS ASSOCIATED WITH THE
USE OF FIREWOOD AS A COOKING FUEL. SOLAR COOKERS
STILL APPEAR TO BE EXTREMELY COSTLY. MORE ATTENTION
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MIGHT BE DEVOTED TO FEASIBILITY OF COMMERCIAL CHARCOAL
PRODUCTION IN MORE TROPICAL AREAS FOR SHIPMENT TO
FUEL-DEFICIT AREAS.

13. ALTHOUGH THE IDEAS SET OUT IN REFTEL APPEAR TO US
TO BE AN IMAGINATIVE AND USEFUL APPROACH, WE WOULD
ALSO LIKE TO SUGGEST THAT ANOTHER FACTOR -- THE
EFFICIENCY OF THE HOST GOVERNMENT -- BE CONSIDERED
IN ALLOCATING RESOURCES. IT APPEARS TO US THAT AID
GIVES LITTLE CONSIDERATION WHEN ALLOCATING ITS
RESOURCES BETWEEN COUNTRIES TO THE HONESTY AND
EFFICIENCY OF THE HOST GOVERNMENTS. YET SOME AFRICAN
GOVERNMENTS ARE SO CORRUPT OR FOLLOW ECONOMIC POLICIES
THAT ARE SO UNSOUND THAT THEY WOULD PRECLUDE THE POSSIBILITY
OF ECONOMIC GROWTH, EVEN IF MASSIVE FOREIGN AID WERE
TO BE RECEIVED. IT APPEARS TO US THAT AID SHOULD
SHIFT RESOURCES TO THOSE COUNTRIES WHOSE
GOVERNMENTS ADOPT POLICIES WHICH FACILITATE RATHER
THAN IMPEDE ECONOMIC GROWTH.

14. ONE OF THE MAJOR REASONS THAT AMERICAN PUBLIC
SUPPORT FOR FOREIGN AID IS SO THIN TODAY IS THE BELIEF,
IN PART JUSTIFIED, THAT AID PROGRAMS HAVE PRODUCED
LITTLE TO SHOW FOR THE MONEY SPENT. IT APPEARS TO
US THAT CONCENTRATING AID'S LIMITED RESOURCES ON THE
BEST RUN COUNTRIES WOULD MAKE IT POSSIBLE TO PRODUCE
MORE SIGNIFICANT RESULTS AND PERHAPS INCREASE PUBLIC
AND CONGRESSIONAL SUPPORT FOR AID PROGRAMS.

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